

VIA: _____
(SPECIFY AIR OR SEA POUCH)

~~RYBAT~~

DISPATCH NO. EGQA-7196

SECRET

CLASSIFICATION

4 JAN
1956

TO : Chief, EE

DATE: _____

FROM : Chief of Station, Germany

INFO: Chief, BOB

SUBJECT: GENERAL—Operational/CADORY

SPECIFIC—LCCASSOCK/LCFLUTTER

Refs: A. EGBA 26543 (RYBAT) 18-10-55
B. EGQW 27057 (RYBAT) 12-12-55

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

1. COS has held several reservations on the advisability of the FLUTTER recommended in Ref A for establishing CADRIER's and his bookkeeper's honesty in connection with the missing DMW 5,000. These reservations which were the subject of repeated discussions between BOB and COS personnel resulted in a final COS position against FLUTTERing either CADRIER or the bookkeeper for the sole purpose of establishing their roles with respect to the missing money. This COS position should not prevent BOB, however, from proposing and initiating a general security investigation and reassessment of CADRIER with an LCFLUTTER (see para 2 Ref B). Obviously during such FLUTTER questions of CADRIER's handling of funds could well be asked. Such general reassessment is probably also in order so as to clear up allegations made in the past against CADRIER by a number of his opponents including ZIPPER. In the meantime, we should accept CADRIER's offer to repay the lost sum. The foregoing has been discussed with and concurred in by the Chief, BOB.

2. For your further information the above COS position is based on the following:

a. FLUTTERing of CADRIER and his bookkeeper will undoubtedly be insufficient to establish conclusively the honesty of each LCCASSOCK principal involved in the disappearance and will probably complicate the situation considerably.

b. Even if the FLUTTER establishes beyond doubt the LCCASSOCK principals' honesty, this result would probably not be accepted by Finance as a basis for write-off. FLUTTERS of all individuals involved in the transaction would then be required, along with a recommendation for adjustment of books from COS.

c. There is reason to accept a working hypothesis that a package of fifty 100 DMW bills simply became lost in transit.

d. There is no reason not to accept CADRIER's original offer to make good the loss.

e. It is recognized that CADRIER's future use by KUBARK is open to

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challenge and doubt until his role in connection with the disappearance of the DMW 5,000 and other past allegations (by ZIPPER and political opponents of CADRIER) have been cleared up.

3. To sum up, we have agreed that BOB should proceed with a general security examination of CADRIER only, during which FLUTTER may be used and during which general questions regarding his handling of funds may be asked. The question of examining the bookkeeper has been temporarily shelved pending results of the CADRIER examination. At the same time, CADRIER will be asked to keep his eye on any unusual behavior of the man.

APPROVED:

Distri.

3 - EE
2 - BOB

4 Jan. 55

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